



ADMINISTRATION AND  
MANAGEMENT

OFFICE OF THE SECRETARY OF DEFENSE  
1950 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1950

18 JAN 1998

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING  
ASSISTANT SECRETARIES OF DEFENSE  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Implementation of Section 8061 of the FY 1998 DoD Appropriation Act

The purpose of this memorandum is to provide guidance on the implementation of Section 8061 of the FY 1998 DoD Appropriation Act. This provision restricts the establishment of new organizations and the movement of personnel within and between certain existing organizations. Section 8061 reads as follows:

"(a) Except as provided in sub-sections (b) and (c), none of the funds made available by this act may be used--- (1) to establish a field operating agency; or (2) to pay the basic pay of a member of the Armed Forces or civilian employee of the Department who is transferred or reassigned from a headquarters activity if the member or employee's place of duty remains at the location of that headquarters. (b) The Secretary of Defense or Secretary of a military department may waive the limitations in subsection (a), on a case-by-case basis, if the Secretary determines, and certifies to the Committees on Appropriations of the House of Representatives and Senate that the granting of the waiver will reduce the personnel requirements or the financial requirements of the department. (c) This section does not apply to field operating agencies funded within the National Foreign Intelligence Program."

The following language from the House Appropriations Committee Report on the FY 1998 DoD Appropriation Act provides some insight into the intent of Section 8061:

“The Committee supports efforts to reduce personnel in headquarters activities, but is concerned some organizations may reassign their personnel to other organizations while those personnel continue to perform the same headquarters mission. The Committee therefore recommends amending a previously enacted General Provision (Section 8052) to place additional limits on the manner in which personnel shifts can take place. The Provision does not affect personnel assigned to a non-headquarters activity who take a rotational assignment at a headquarters for career development purposes.”

For the purpose of complying with Section 8061, the following definitions are provided:

- **HEADQUARTERS ACTIVITY:** Organizations or organizational elements listed as Management Headquarters or Headquarters Support in DoDD 5100.73, “Department of Defense Management Headquarters and Headquarters Support Activities,” November 12, 1996.
- **FIELD OPERATING AGENCY:** An organization under the supervision of a Headquarters Activity, but which is not a Major Command or a subordinate command of a Major Command, and whose primary mission is: (a) to support the headquarters to which it reports, (b) to execute policy, or (c) to carry out operational assignments. These organizations are sometimes referred to as staff support activities/agencies, field operating activities/agencies, or direct reporting units.
- **LOCATION/PLACE OF DUTY:** The physical location where an individual works; i.e., ordinarily the building to which an individual customarily reports and that is generally recognized as that person’s primary place of duty.
- **TRANSFERRED OR REASSIGNED:** A personnel action taken to move an individual from the rolls of one organization to another.

Section 8061 is not intended to apply to:


- The reassignment or transfer of an individual from one DoD organization to another, unless the transfer or reassignment is from a Headquarters Activity to a non-Headquarters Activity.
- The transfer of an individual or personnel strength authorization from one Headquarters Activity to another Headquarters Activity.

- The transfer of personnel strength authorizations from a Headquarters Activity to a non-Headquarters Activity at the same location **if** they are used to support functions **materially** different than their prior use.

Department of Army, Navy, or Air Force activities considering the establishment of a new organization, a reorganization, or transfer of personnel strength authorizations, which require a waiver under Section 8061, should submit requests for waiver to their respective Service Secretaries. Other DoD components should submit their requests through the Director, Administration and Management to the Secretary of Defense. Requests must be submitted prior to implementation and contain the following information:

- Names and mission statements of the organizations involved.
- A description of the purpose of the new organization, reorganization, and/or personnel resource transfers.
- The before and after personnel strength authorizations and financial requirements (Full-Time Equivalents and dollars) of the initiative.
- Proposed implementation date.

Any questions concerning this guidance may be addressed to Bart Rhoades or Howard Becker in the Directorate for Organizational and Management Planning. They may be reached at 703- 697-0709 or 695-4282, or by e-mail at rhoadesb@osd.pentagon.mil or beckerh@osd.pentagon.mil.

  
D. O. Cooke  
Director